



AACE –Edmonton Section Dinner Meeting Presentation

Dinner Meeting Presentation, 19th October 2016, Wednesday, 6:15 PM

LOCATION:

NEW YORK BOARD ROOM, STANTEC BUILDING, 10160,
112 Street Edmonton Alberta, T5K 2L6

TOPIC: PARAMETRIC CONTINGENCY ESTIMATING ON SMALL PROJECTS

Abstract

Recommended practice 43R-08, Risk Analysis and Contingency Determination using Parametric Estimating applies historical empirical data to estimate contingency. This Parametric contingency method has clear advantages over other AACE recommended practices for mega-projects including speed, accuracy and cost effectiveness. While mega-projects capture the attention of executives, shareholders, media and researchers, the sheer quantity of many companies' "small projects" can eclipse the capital spend of a single mega-project. For most companies, small projects are the foundation of sustained and incremental profitability. The size of "small projects" often precludes detailed contingency assessments by project managers while their puny stature renders them unattractive to academic research. As a result many firms solve this problem by simply applying 10% contingency across the board to small projects, regardless of the project's actual risk profile. This paper outlines a pioneering solution: a small-project systemic contingency tool. This paper will review how a Canadian midstream oil and gas company solved the problem of small-project contingency assessments using a parametric approach using in-house data.

Author: Matthew Schoenhardt

Matthew's focus is the intersection of business, engineering, and project controls. Approaching capital infrastructure from a financial and business objectives perspective, Matthew brings fundamental critical thinking and formidable quantitative skills to the table. His ability to quickly identify, understand, and articulate the salient issues allows Matthew to help clients help solve real world problems, structure their projects, and enable success.

As a Risk Management Professional, Matthew brings together business, engineering, project management and controls together into a single coherent package to deliver risk planning, identification, evaluation, and risk response planning to clients. He is familiar with all aspects of risk management and can facilitate a variety of risk management strategies tailored to the client's needs. Matthew has completed risk and contingency work for hundreds of projects totaling well over \$100B.

Matthew has a broad background in the private sector including light manufacturing, heavy industry, food processing, and distribution. He has performed both in staff and direct management roles.

Cocktails & Registration - 6:15 PM
Dinner and Presentation - 7:00 PM
Closing Remarks - 7:50 PM

Students - \$10.00
AACE Members - \$15.00
Non-members - \$25.00

Please click [here](#) for online Registration; Only 50 seats, Registration Closes 6 PM 18th October 2016.

For more information about AACE Edmonton Section, check out <http://aacedmonton.org/>
Online registration is REQUIRED as there would be no onsite registration.